

WHAT IS CLAIMED IS:

1. A method for determining a weighting of an investment portfolio selected from a range of domestic and international financial investments, said method comprising the

5 steps of:

a) dividing said range of domestic and international financial investments into a plurality of industry based groups;

b) selecting one of said industry based groups;

c) determining a required industry weighting for said selected industry based

10 group;

d) determining an available domestic weighting for said selected industry based group;

e) determining a mixture of financial investments within said selected industry based group, whereby said mixture consists of:

15

e1) exclusively said domestic financial investments if said available

domestic weighting equals or exceeds said required industry weighting;

otherwise

e2) domestic financial investments having a weighting substantially equal

to said available domestic weighting and international financial investments having a

20 weighting substantially equal to said required industry weighting minus said available domestic weighting; and

f) repeating steps b) to e) until mixtures of financial investments for all of said industry based groups have been determined, thereby forming the weighting of said investment portfolio.

25 2. A method according to claim 1 wherein the domestic financial investments in step

e1 have a weighting substantially equal to said required industry weighting.

FOOTNOTES

3. A method according to claim 1 wherein the industry based groups of step a) are consistent with the Global Industry Classification Standards (GICS).

4. A method according to claim 1 wherein the industry based groups are consistent with a plurality of industry groups as defined in the Global Industry Classification

5 Standards.

5. A method according to claim 1 wherein the required industry weighting determined in step c with reference to a selected industry based group is substantially equal to a global weight of said industry based group within a Morgan Stanley Capital International (MSCI) World Index.

10 6. A method according to claim 1 wherein the required industry weighting determined in step c with reference to a selected industry based group is based upon an estimate of the future consumption from suppliers in said industry based group.

7. A method according to claim 1 wherein a domestic index is used to determine the available domestic weighting in step d.

15 8. A method according to claim 7 wherein a figure from said domestic index is varied dependent upon pre-determined criteria prior to determining said available domestic weighting.

9. A method according to claim 8 wherein said available domestic weighting is a product of said figure and a scaling factor which is dependent upon said pre-determined
20 criteria.

10. A method according to claim 8 wherein said pre-determined criteria includes appropriateness of exposure and optionally excessive exposure criteria.

11. A method according to claim 8 wherein said pre-determined criteria includes difficulty in trading equity investments associated with very small companies.

25 12. A method according to claim 8 wherein said pre-determined criteria includes appropriateness of companies associated with domestic equities.

13. A method according to claim 8 wherein said pre-determined criteria includes the place of incorporation of a company associated with a domestic equity.

14. A method according to claim 13 wherein said pre-determined criteria includes equity investments associated with companies having a place of incorporation within a
5 pre-selected region.

15. A method according to claim 8 wherein said pre-determined criteria includes equity investments associated with companies having a home country stock exchange within a pre-selected region.

16. A method according to claim 8 wherein said pre-determined criteria includes
10 maximum or minimum limits on either international or domestic expenditure.

17. A method according to claim 8 wherein said pre-determined criteria includes risk diversification.

18. A method according to claim 8 wherein said pre-determined criteria includes the market capitalisation of financial investments.

19. A method according to claim 8 wherein said pre-determined criteria includes an
15 assessment of the value of an investment or a pre-selected group.

20. A method according to claim 8 wherein said pre-determined criteria includes an assessment of the growth potential of an investment.

21. A method according to claim 8 wherein said pre-determined criteria includes an
20 assessment of one or more of the following aspects of an investment:

Stock liquidity;

Financial risk;

Management risk;

Physical security;

25 Political risk;

Operational leverage (leverage to economic cycle);

Expected risk premium; and

Exposure to inflation.

22. A method according to claim 1 wherein said financial investments include one or more of the following:

5 financial instruments; securities; equities; shares; futures; options; warrants; bonds; promissory notes; and other tradable financial products.

23. A method of determining a mixture of financial investments within a pre-selected industry based group, said method comprising:

10 a) determining a required industry weighting for said pre-selected industry based group;

b) determining an available domestic weighting for said pre-selected industry based group; and

c) determining the mixture of financial investments within said pre-selected industry based group, whereby said mixture consists of:

15 c1) exclusively domestic financial investments if said available domestic weighting equals or exceeds said required industry weighting; otherwise,

20 c2) domestic financial investments having a weighting substantially equal to said available domestic weighting and international equity investments having a weighting substantially equal to said required industry weighting minus said available domestic weighting.

24. A method according to claim 23 wherein the domestic financial investments in step c1 have a weighting substantially equal to said required industry weighting.

25. A method for determining a weighting of a portfolio selected from a range of domestic and international financial investments, said method comprising the steps of:

25 a) dividing said range of domestic and international financial investments into a plurality of groups;

b) selecting one of said groups;
c) determining a required industry weighting for said selected group based upon investor criteria;

d) determining an available domestic weighting for said selected group based upon statistical information;

e) determining a mixture of financial investments within said selected group, whereby said mixture consists of:

e1) exclusively said domestic financial investments if said available domestic weighting equals or exceeds said required industry weighting; otherwise,

e2) domestic financial investments having a weighting substantially equal to said available domestic weighting and international financial investments having a weighting substantially equal to said required industry weighting minus said available domestic weighting; and

f) repeating steps b) to e) until mixtures of financial investments for all of said groups have been determined, thereby forming the weighting of said investment portfolio.

26. A method according to claim 25 wherein said statistical information is a domestic benchmark or index.

27. A method according to claim 25 wherein said investor criteria is based upon an international benchmark or index.

28. A method of determining a spread of investments across i groups of financial investments, each of said i groups including domestic financial investments and international financial investments, said method comprising the following steps for each of the i groups:

a) defining a desired weight (W_i^G);

b) determining a weight of said domestic financial investments (W_i^D);

c) calculating a domestic weight (w_i^d) within the spread of investments and a international weight (w_i^p) within the spread of investments as follows:

$$w_i^d = W_i^G \quad \text{if } Adequate(W_i^G, W_i^p) = True$$

or

$$w_i^d = W_i^G - shortfall, \quad \text{if } Adequate(W_i^G, W_i^p) = False$$

and

$$w_i^p = 0 \quad \text{if } Adequate(W_i^G, W_i^p) = True$$

or

$$w_i^p = shortfall \quad \text{if } Adequate(W_i^G, W_i^p) = False,$$

whereby $Adequate(W_i^G, W_i^p)$ is a function which returns *True* if W_i^p is adequate to meet W_i^G in accordance with pre-determined criteria and otherwise returns *False*; and

$$\text{whereby } shortfall = W_i^G - W_i^p.$$

29. A method according to 28 wherein the function $Adequate(W_i^G, W_i^p)$ is defined as follows:

$$Adequate(W_i^G, W_i^p) = True \quad \text{if } W_i^G < W_i^p$$

or

$$Adequate(W_i^G, W_i^p) = False \quad \text{if } W_i^G > W_i^p$$

30. A method according to claim 28 wherein the function $Adequate(W_i^G, W_i^p)$ is adapted to take into account appropriateness of exposure and optionally excessive

exposure criteria.

31. A method according to claim 28 wherein the function $Adequate(W_i^G, W_i^p)$ is adapted to take into account difficulty in trading equity investments associated with very small companies.

32. A method according to claim 28 wherein the function $Adequate(W_i^G, W_i^p)$ is

adapted to take into account appropriateness of companies associated with domestic equities.

33. A method according to claim 28 wherein the function $Adequate(W_i^G, W_i^D)$ is adapted to take into account the place of incorporation of a company associated with a domestic equity.

34. A method according to claim 33 wherein $Adequate(W_i^G, W_i^D)$ is adapted to favour equity investments associated with companies having a place of incorporation within a pre-selected region.

35. A method according to claim 34 wherein $Adequate(W_i^G, W_i^D)$ is adapted to favour equity investments associated with companies having a home country stock exchange within said pre-selected region.

36. A method according to claim 28 wherein the function $Adequate(W_i^G, W_i^D)$ and optionally the value of *shortfall* is adapted to take into account limits on either international or domestic expenditure.

37. A method according to claim 28 wherein the function $Adequate(W_i^G, W_i^D)$ is adapted to take into account risk diversification.

38. A method according to claim 28 wherein the function $Adequate(W_i^G, W_i^D)$ is adapted to take into account market capitalisation of financial investments.

39. A method according to claim 28 wherein the function $Adequate(W_i^G, W_i^D)$ is adapted to take into account an assessment of the value of an investment or a pre-selected group.

40. A method according to claim 28 wherein the function $Adequate(W_i^G, W_i^D)$ is adapted to take into account an assessment of growth potential of an investment.

41. A method according to claim 28 wherein the function $Adequate(W_i^G, W_i^D)$ is adapted to take into account an assessment of one or more of the following aspects of an investment:

Stock liquidity;

Financial risk;

Management risk;

Physical security;

Political risk;

Operational leverage (leverage to economic cycle);

5 Expected risk premium; and

Exposure to inflation.

42. A method of investing within a selected industry, said method comprising the steps of:

determining a required weighting within said selected industry; and

10 investing internationally within said selected industry if a domestic market weight in said industry is less than said required weighting within said industry, otherwise;

investing exclusively domestically within said selected industry.

43. A computer readable medium containing program instructions for causing a computer to perform the method as defined in any one of claims 1, 9, 11, 14 or 28.

15 44. An apparatus for determining weightings of an investment portfolio selected from a range of domestic and international financial investments, said apparatus comprising:

a memory for storing said range in a plurality of industry based groups;

an input for definition of a required industry weighting for each of said industry based groups;

20 an input for definition of an available domestic weighting for each of said industry based groups;

a data processor for determining a mixture of financial investments within each of said industry based groups, whereby said mixture consists of:

25 exclusively said domestic financial investments if said available domestic weighting equals or exceeds said required industry weighting; otherwise

domestic financial investments having a weighting substantially equal to said available domestic weighting and international financial investments having a weighting substantially equal to said required industry weighting minus said available domestic weighting; and

5 an output for communication of said mixture of financial investments within each of said industry based groups.

45. An apparatus according to claim 44, said apparatus being implemented in a computing environment.

46. An apparatus according to claim 45 wherein said computing environment
10 includes program instructions adapted to configure a computer to function as said apparatus.

47. An apparatus according to claim 46 including a computer readable medium for storing the program instructions.

48. An apparatus according to claim 44 wherein said input includes a communicator
15 adapted to receive statistical financial data.

49. An apparatus according to claim 48 wherein said communicator is adapted to receive data indicative of global weightings for each of said industry based groups and to define said required industry weightings in accordance therewith.

50. An apparatus according to claim 49 wherein said communicator is adapted to
20 receive data indicative of domestic weighting for each of said industry based groups and to define said available domestic weightings in accordance therewith.

51. An apparatus according to claim 44 wherein the output includes a communicator adapted to automatically place buying orders in accordance with said mixtures.

52. An apparatus for determining a mixture of financial investments within a pre-
25 selected industry based group, said apparatus comprising:

an input for definition of a required industry weighting for said pre-selected industry based group;

an input for definition of an available domestic weighting for said pre-selected industry based group;

5 a data processor for determining the mixture of financial investments within said pre-selected industry based group, whereby said mixture consists of:

exclusively said domestic financial investments if said available domestic weighting equals or exceeds said required industry weighting; otherwise,

10 domestic financial investments having a weighting substantially equal to said available domestic weighting and international equity investments having a weighting substantially equal to said required industry weighting minus said available domestic weighting; and

an output for communication of said mixture of financial investments.

53. An apparatus for determining weightings of an investment portfolio selected from

15 a range of domestic and international financial investments, said apparatus comprising:

a memory for storing said range of domestic and international financial investments in a plurality of groups;

an input for defining a required industry weighting for each of said groups;

an input for defining an available domestic weighting for each of said groups;

20 a data processor for determining a mixture of financial investments within each of said groups, whereby said mixture consists of:

exclusively said domestic financial investments if said available domestic weighting equals or exceeds said required industry weighting; otherwise,

25 domestic financial investments having a weighting substantially equal to said available domestic weighting and international financial investments having a weighting

substantially equal to said required industry weighting minus said available domestic weighting; and

an output for communication of said mixture of financial investments within each of said groups.

5 54. An apparatus for determining a spread of investments across i groups of financial investments, each of said groups including domestic financial investments and international financial investments, said apparatus including:

a) an input for defining a desired weight (W_i^G) for each of the i groups;

b) an input for defining the weight of domestic financial investments (W_i^D) for

10 each of the i groups;

c) a data processor for calculating a domestic weight (w_i^d) for each of the i groups within the spread of investments and an international weight (w_i^o) for each of the i groups within the spread of investments as follows:

$$w_i^d = W_i^G \quad \text{if } Adequate(W_i^G, W_i^D) = True$$

or

$$w_i^d = W_i^G - shortfall, \quad \text{if } Adequate(W_i^G, W_i^D) = False$$

and

$$w_i^o = 0 \quad \text{if } Adequate(W_i^G, W_i^D) = True$$

or

$$w_i^o = shortfall \quad \text{if } Adequate(W_i^G, W_i^D) = False,$$

whereby $Adequate(W_i^G, W_i^D)$ is a function which returns *True* if W_i^D is adequate to meet W_i^G in accordance with pre-determined criteria and otherwise returns *False*; and

whereby $shortfall = W_i^G - W_i^D$.

55. An apparatus for investing within a selected industry, said apparatus including:

an input for determining a required weighting within said selected industry;

investing means for investing internationally within said selected industry only if a domestic market weight in said industry is less than said required weighting within said industry, otherwise investing exclusively domestically within said selected industry.

56. An apparatus according to claim 55 wherein said investing means is a

5 communicator.

57. An apparatus according to claim 56 wherein said communicator is adapted to send electronic buying signals via a communications network to a stockmarket or similar financial institution.

58. An investment portfolio having weightings determined in accordance with the

10 method of claim 1 or 25 or the apparatus of claim 44 or 54.

59. A mixture of financial investments within a pre-selected industry based group determined in accordance with the method of claim 23 or the apparatus of claim 53.

60. A spread of investments across i groups of financial investments determined in accordance with the method of claim 28 or the apparatus of claim 55.

15 61. An investment portfolio having weightings determined in accordance with a benchmark index calculated in accordance with the method of claim 1 or the apparatus of claim 44.

62. A mixture of financial investments within a pre-selected industry based group determined in accordance a benchmark index calculated in accordance with the method

20 of claim 23 or the apparatus of claim 53.

63. A spread of investments across i groups of financial investments determined in accordance with a benchmark index calculated in accordance with the method of claim 28 or the apparatus of claim 55.

25 64. A computer-implemented method for managing investments including domestic and international financial investments represented by companies and divided into

business sectors based on a type of business associated with each company,
comprising:

selecting a first value associated with a portion of an investment portfolio
designated to a business sector and representing an international share of business

5 associated with the business sector; and

determining an investment plan for at least the portion of the investment portfolio
based on a relationship between the first value and a second value representing a
domestic share of business associated with the business sector.

65. The method of claim 64 wherein determining an investment plan, includes either:

10 (i) exclusively selecting domestic financial investments for the investment
plan when the second value is equal or exceeds the first value; and

(ii) selecting for the investment plan domestic financial investments having a
weighting substantially equal to the second value and international financial investments
having a weighting substantially equal to a difference between the first value and the
15 second value.

66. A method of advising investors on an investment strategy within a selected
industry segment, said method comprising the steps of:

determining a base weighting within said selected industry segment;

determining whether a domestic market weight in said selected industry segment
20 is less than said base weighting within said selected industry segment; and

providing a recommendation to at least one investor either to invest in non-
domestic companies within said selected industry segment when the domestic market
weight in said selected industry segment is less than said base weighting within said
selected industry segment or to invest exclusively in domestic companies within said
25 selected industry segment when the domestic market weight in said selected industry
segment is not less than said base weighting within said selected industry segment.